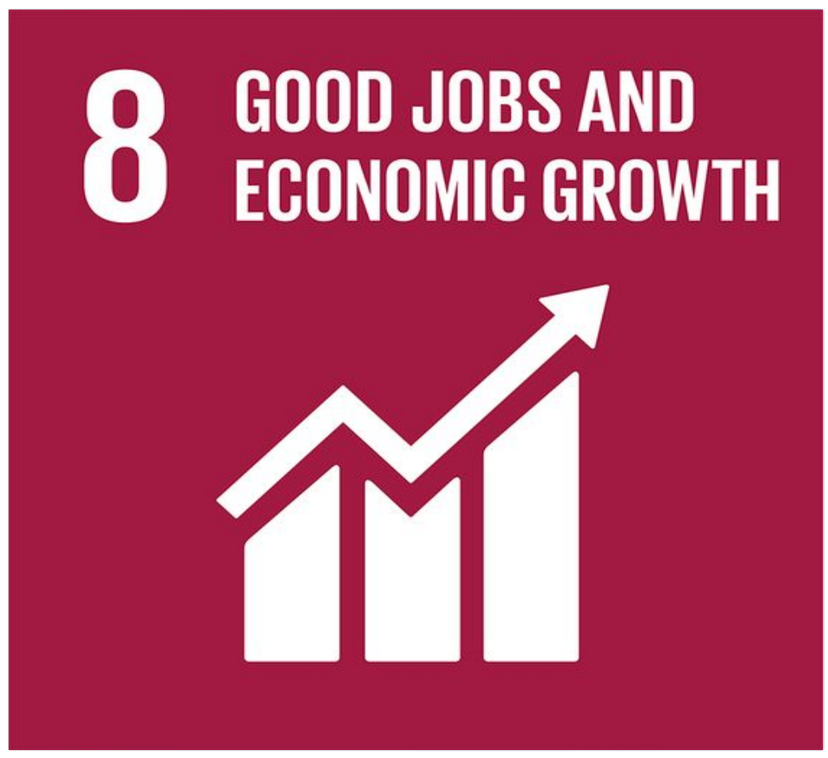
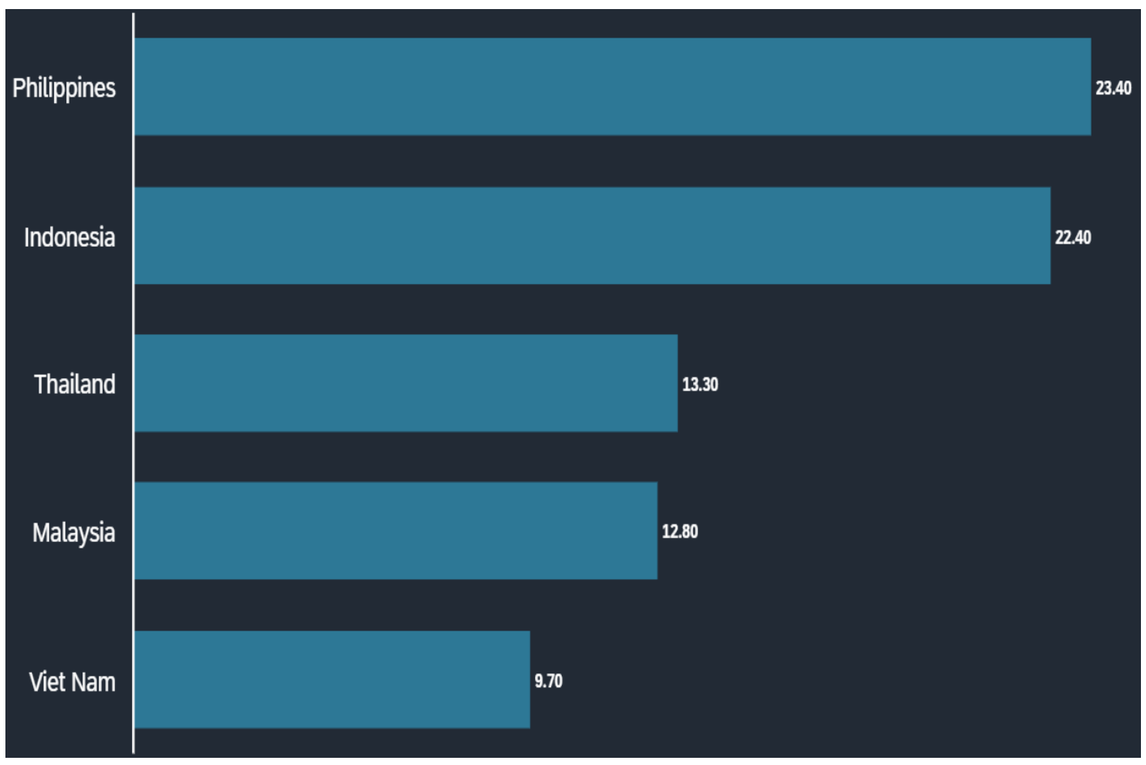
THE LOST GENERATION: AN ANALYSIS ON ASEAN YOUTH UNEMPLOYMENT AND POLICY RECOMMENDATION

Objective

To conduct an analysis on ASEAN youth unemployment in order to deduce the root cause, as well to provide policy recommendations on this issue

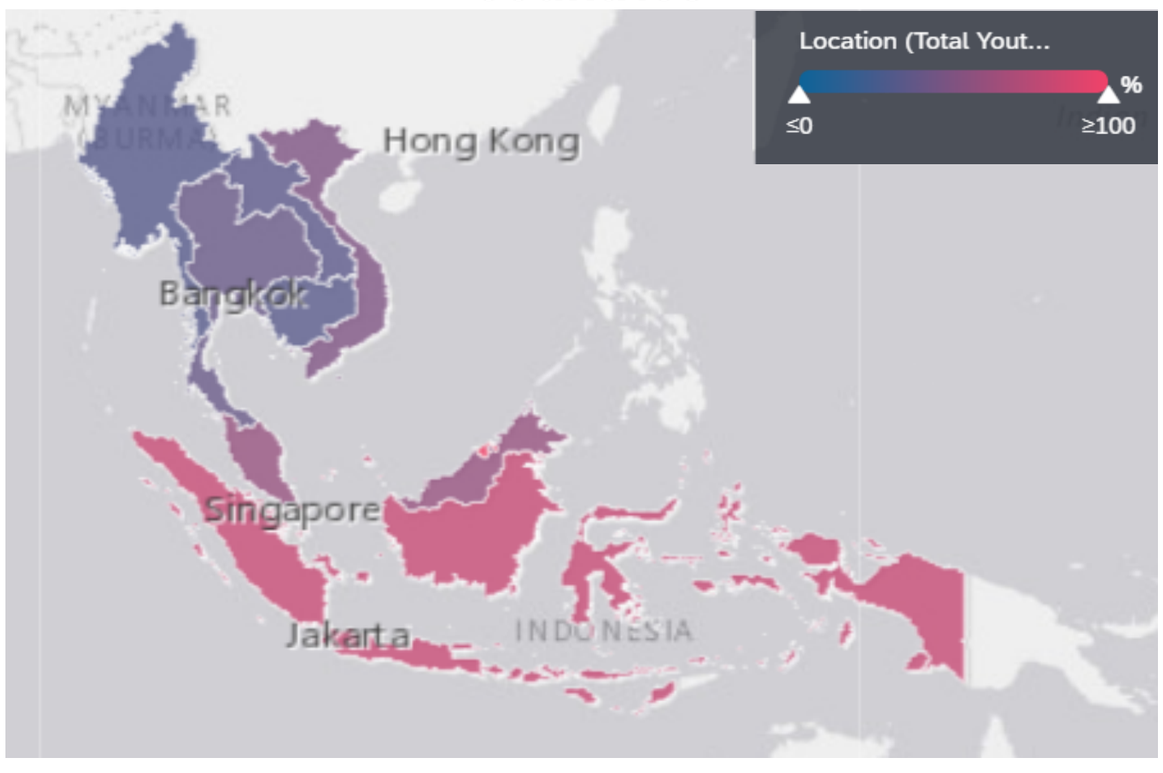


Youth NEET Rate per ASEAN Country



Scatter Plot for Youth Unemployment vs Discouraged Job Seekers

Geo Map of Youth Unemployment in ASEAN countries



Significance of study and Analysis

Youth unemployment rate is highest in Myanmar, followed by Indonesia.
Large youth labor sizes in Indonesia and Philippines are not the main factor in the high youth unemployment rate in these two countries.
There may instead be a **mismatch of skills of youths and what is demanded by industries**, as shown by the decrease of discouraged job seekers along with a relatively constant youth unemployment.

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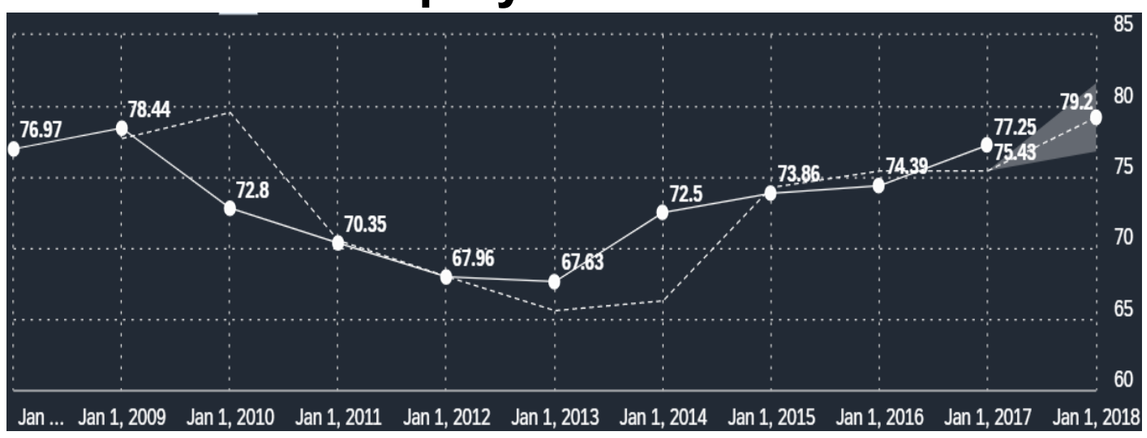
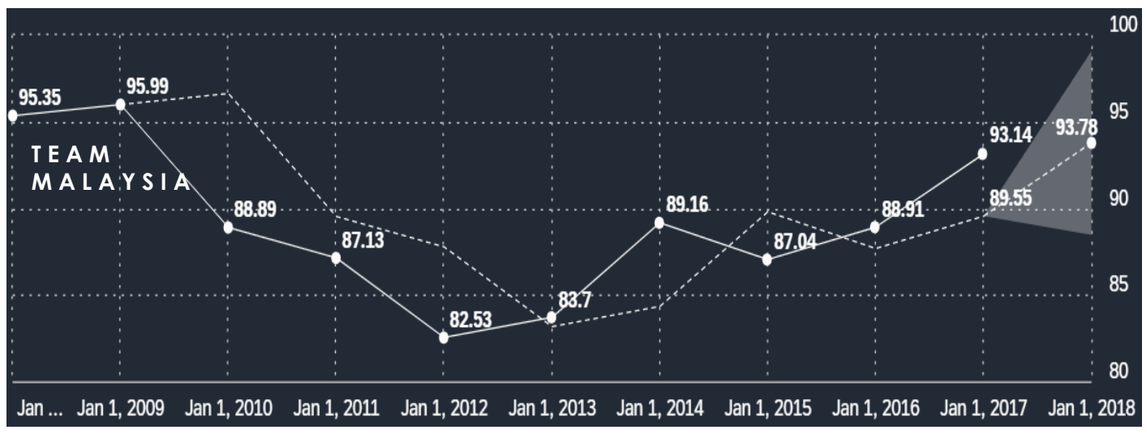
One Year Forecast of Total Male Youth Unemployed in ASEAN



One Year Forecast of Total Female Youth Unemployed in ASEAN



Analysis

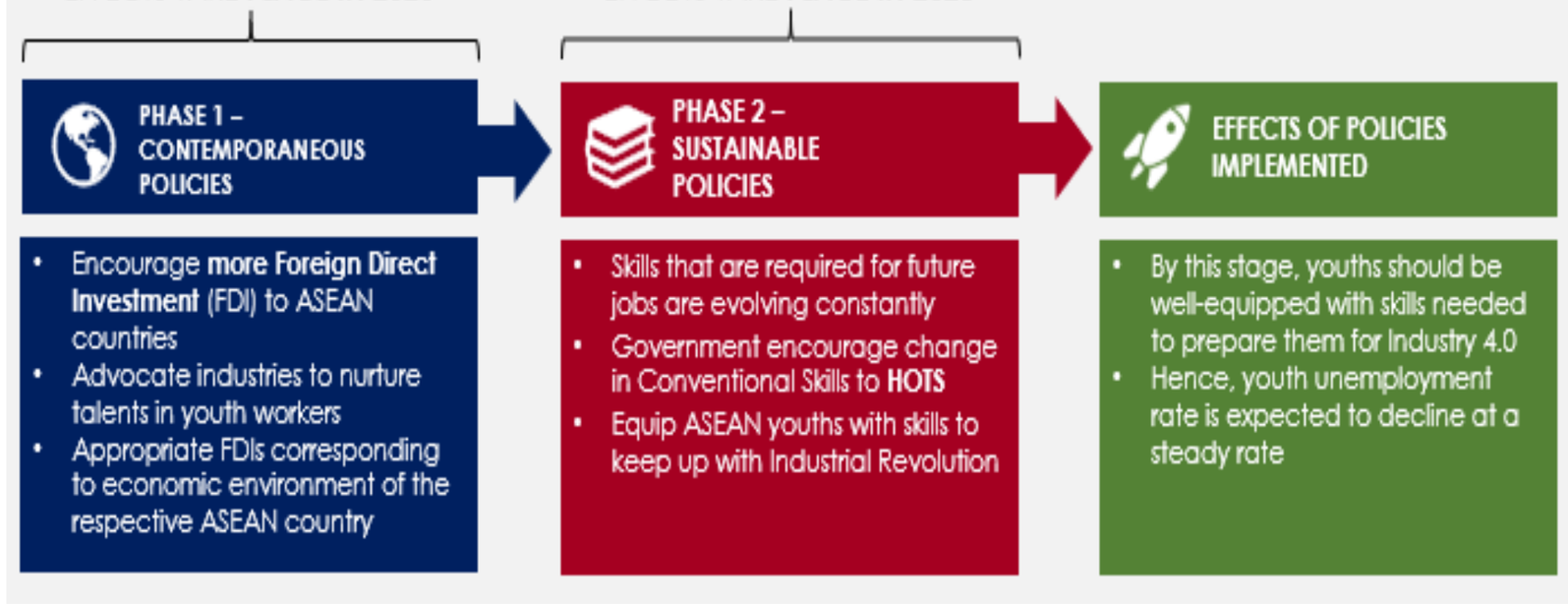
A one-year forecast, **assuming no improvements in policies**, shows:

- An **increase in youth unemployment rate** for both male and female
- Female showing higher uncertainty (reflected by the larger forecast interval).

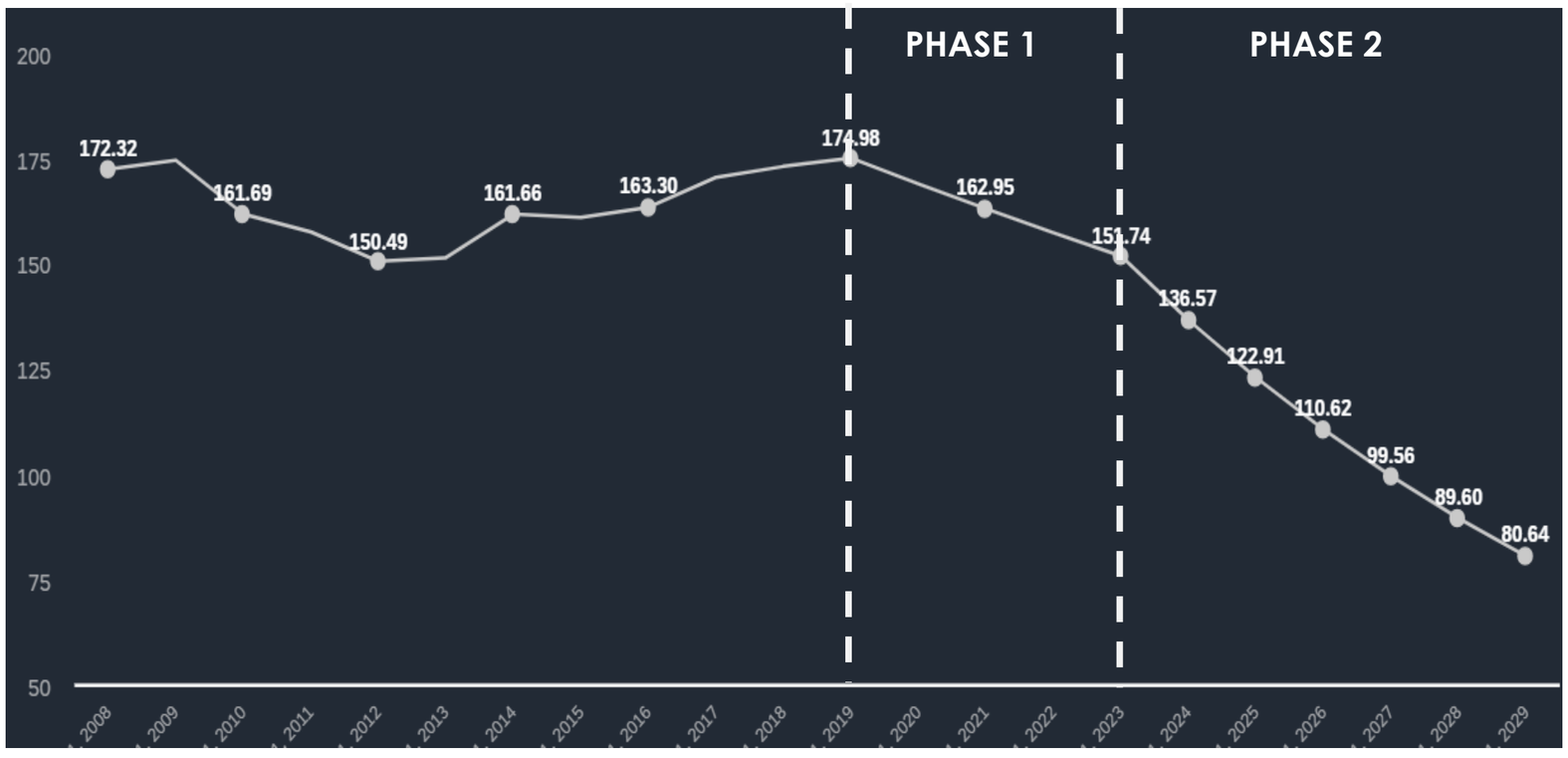
Possible gender inequality between male and female since forecasted female unemployment rate is higher than male

POLICY RECOMMENDATIONS

Policy Timeline



11-year Projection: What-if Analysis of Policies Implemented



1. ***Contemporaneous policy:***

Promote **FDI** to nurture youths in ASEAN countries to meet the industry standard

2. ***Sustainable policy:***

Education reforms from conventional skills to **high order thinking skills** (HOTS) to equip youths to keep up with the fast changing industrial revolution

- The effect of FDI is expected to decrease average youth unemployment by 3.5% annually
- The effect of education reform is expected to decrease average youth unemployment by 10% annually.

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